

SOUTHERN HILLS BUSINESS ASSOCIATION, INC.

Shreveport, Louisiana

FINANCIAL STATEMENTS

December 31, 2010

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 6/8/11

Marsha O. Millican  
A Professional Accounting Corporation  
Shreveport, Louisiana

SOUTHERN HILLS BUSINESS ASSOCIATION, INC.

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**Marsha O. Millican**  
**A PROFESSIONAL ACCOUNTING CORPORATION**

To the Board of Directors  
Southern Hills Business Association, Inc.  
Shreveport, Louisiana

I have compiled the accompanying statement of financial position of Southern Hills Business Association, Inc. as of December 31, 2010, and the related statements of activities, changes in net assets, and cash flows for the year then ended. I have not audited or reviewed the accompanying financial statements, and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

*Marsha O. Millican*

Certified Public Accountant  
May 9, 2011

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## SOUTHERN HILLS BUSINESS ASSOCIATION, INC.

## Statement of Financial Position

December 31, 2010

## ASSETS

## CURRENT ASSETS

Cash	\$ 14,328
Grants Receivable	<u>10,000</u>
Total Current Assets	<u>24,328</u>

## PROPERTY AND EQUIPMENT (NET)

Total Assets	<u>\$ 24,328</u>
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## LIABILITIES AND NET ASSETS

## CURRENT LIABILITIES

Accounts Payable	\$ 1,550
Total Current Liabilities	<u>-</u>

## Net Assets:

Unrestricted	<u>22,778</u>
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Total Net Assets	<u>22,778</u>
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Total Liabilities and Net Assets	<u>\$ 24,328</u>
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See accountant's compilation report.

## SOUTHERN HILLS BUSINESS ASSOCIATION, INC.

## Statement of Activities

For the Year Ended December 31, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>SUPPORT AND REVENUE:</b>				
Support:				
Contributions	\$ -	\$ -	\$ -	\$ -
Grants	-	35,000	-	35,000
Total Support	-	35,000	-	35,000
Revenues:				
Conference Center Revenue	15,235	-	-	15,235
Membership Dues	22,150	-	-	22,150
Miscellaneous	501	-	-	501
Total Revenues	37,886	-	-	37,886
Total Support and Revenue	37,886	35,000	-	72,886
Net Assets Released from Restrictions:				
Satisfaction of Usage Restrictions	35,000	(35,000)	-	-
Total Support and Revenue	72,886	-	-	72,886
<b>EXPENSES</b>				
Program Expenses	46,603	-	-	46,603
Management and General	13,662	-	-	13,662
Total Expenses	60,265	-	-	60,265
Change in Net Assets	12,621	-	-	12,621
Net assets, beginning of year	10,157	-	-	10,157
Net assets, end of year	<u>\$ 22,778</u>	<u>-</u>	<u>\$ -</u>	<u>\$ 22,778</u>

See accountant's compilation report.

## SOUTHERN HILLS BUSINESS ASSOCIATION, INC.

## Statement of Cash Flows

For the Year Ended December 31, 2010

## CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ 12,621
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Changes in assets and liabilities:	
Increase in accounts receivable	(5,474)
Increase in accounts payable	<u>1,550</u>
Net cash used by operating activities	8,697
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>5,631</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 14,328</u></u>

See accountant's compilation report.

SOUTHERN HILLS BUSINESS ASSOCIATION, INC.

Notes to Financial Statements

December 31, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. General:

Southern Hills Business Association, Inc. is a nonprofit organization exempt for Federal income tax purposes under Section 501 (c) (3) of the Internal Revenue Code and is exempt from federal and state income taxes. The purpose of the Association is to encourage the members of Southern Hills business community to unite for the purpose of promoting a greater sense of business and social unity. The Association is managed by the officers of the corporation who are responsible to the Board of Directors as the bylaws require.

B. Basis of Accounting:

The accompanying financial statements have been prepared on the accrual basis of accounting.

C. Basis of Presentation:

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

D. Cash and Cash Equivalents:

For purposes of cash flows, the organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

E. Property and Equipment:

Purchased property and equipment are stated at cost. Purchased assets in excess of \$1,000 are capitalized and depreciated over their useful lives. Donated property and equipment are stated at their fair market value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from five to ten years. At December 31, 2008, the Association had no capital assets with a purchase price of \$1,000 or greater.

SOUTHERN HILLS BUSINESS ASSOCIATION, INC.

Notes to Financial Statements

December 31, 2010

H. Contributions:

All contributions received are considered available for unrestricted use unless the donor specifies a restriction. Amounts received that are restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net asset are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

I. Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.



SOUTHERN HILLS BUSINESS ASSOCIATION, INC

Schedule of Findings

For the Year ended December 31, 2010

Finding # 2010-1:

Condition:

The segregation of duties is inadequate to provide effective internal control.

Cause:

The condition is due to space and economic limitations.

Recommendation:

No action is recommended.

Management's Response and Corrective Action Plan:

We agree with the finding. We will implement the necessary processes to segregate duties as allowed by spaces and economic limitations.